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23 September 1965

MEMORANDUM FOR: Mr. John M. Clarke
Director, EPAN

SUBJECT: Request for Funds

REFERENCE: DCI Memorandum to Mr. de Silva, "Your Duties as
my Special Assistant for Vietnamese Affairs,"
16 July 1965

1. In order to discharge some of the responsibilities levied in paragraph 1a and, especially, 1b of the referenced DCI memorandum, my Vietnamese Affairs Staff has begun to engage in project activity designed to develop and to test the feasibility of new operational concepts and ideas. In some cases, such developmental projects are initiated in response to a need expressed by the Saigon Station or a Headquarters component concerned with Vietnam; in others, they are stimulated by requirements identified by members of my Staff (in all cases, we work in constant liaison contact with FE Division and other existing components of the DD/P). Even our limited experience to date has made it obvious that the successful execution of such projects is going to require money and that they can be most flexibly handled and efficiently implemented if the necessary funds come from a source directly under our control.

2. Our project activities, particularly their hardware components, involve a three-phased cycle: (1) laboratory research and development, (2) live field testing and analysis in a pilot program, and (3) if (2) is successful, adoption of the activity as a regular on-going project of this Agency or (sometimes) the U.S. Government in general, with the necessary hardware becoming production items. Costs associated with (1), the strictly R&D phase, have been and will continue to be borne by existing components of this Agency (e.g., T&D, DCS&T, and [] which have developmental budgets. These Agency components are already working closely and most cooperatively with us. Any activity generated by this Staff which reaches the (3) category, i.e., becomes a regular project of some component of this Agency or of other agencies, will obviously be picked up and funded

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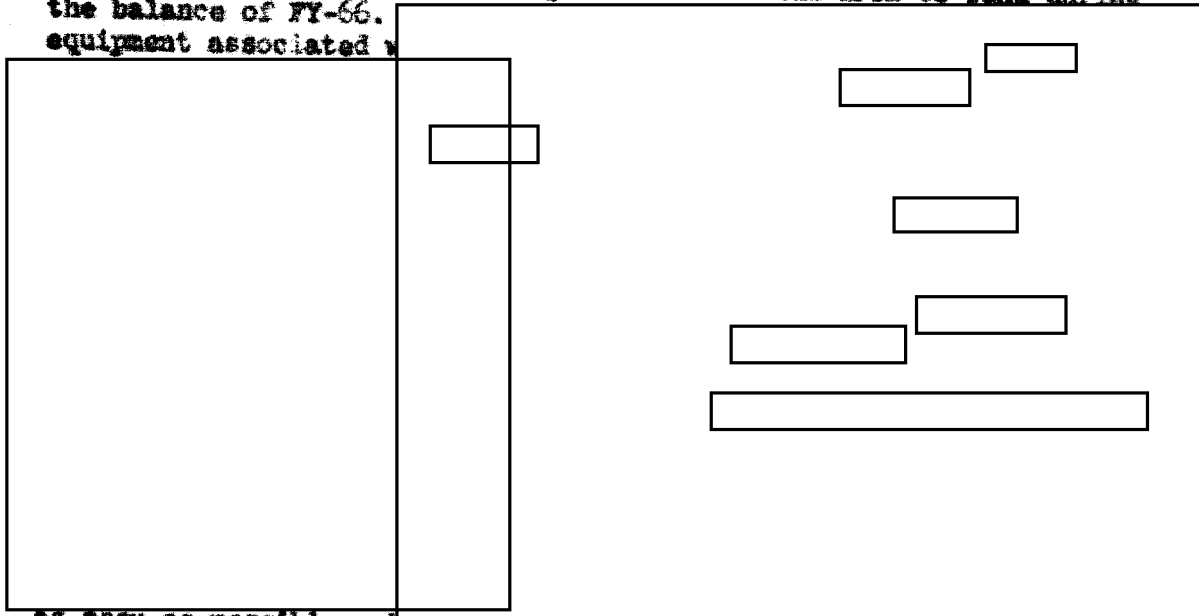
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in the normal way. It is in phase (2) that we must step in, using our funds to cover costs that go beyond the scope of laboratory development but are not associated with any line component's programmed activity for which budgetary provision has already been made.

3. In concrete terms, the bulk of our funds will be spent for procurement of hardware in quantities sufficient to run pilot programs and other costs related to such programs, including TDY travel by members of this Staff or by other Agency officers traveling on TDY at our behest with the primary mission of working on one of our projects.

4. Projection of the amounts that will be required is difficult because we have just commenced operations and hence cannot now predict the exact scope and dimension of our future activity. We have already sent one officer on a TDY to Vietnam (the cost of his trip having been absorbed by the Director's office) and will probably have approximately ten more trips to the Vietnam area to fund during the balance of FY-66. equipment associated with



as soon as possible. We will, of course, provide more detailed budgetary estimates and justifications as soon as we have been in operation long enough to have a data base adequate for detailed projections based on actual experience.

Distribution:

Orig & 1 - Mr. Clarke

1 -

1 - Mr. de Silva

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Peer de Silva

Special Assistant for Vietnamese Affairs

- 2 -

Approved For Release 2004/09/23 : CIA-RDP80R01720R000500020027-2

SECRET

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Next 3 Page(s) In Document Exempt

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